# CALIFORNIA DEBT AND INVESTMENT **ADVISORY COMMISSION Presents Advanced Concepts and Practices for Investing Public Funds** Renaissance Long Beach Hotel Long Beach, California November 16-17, 2006

California Debt Capitol Mall, and Investment Room Advisory Commission

FIRST CLASS

# ABOUT THE PROGRAM

The Advanced Concepts and Practices for Investing Public Funds seminar is designed to provide a day and a half of conceptual and technical education on tools and practices important for treasury staff in public portfolio management. This is California Debt and Investment Advisory Commission's more advanced public portfolio management course in a series of three public funds investing seminars. The following concepts will be discussed at the seminar: the economic forces that affect investment decision-making, strategies for managing operating funds, cash flow forecasting as it is tied to investment strategies, investment of bond proceeds, selection of investment products, conducting the transaction, utilizing benchmarks, and ways to rebalance a portfolio for optimum performance.

# WHO SHOULD ATTEND

Public agency officials and their staff responsible for or involved in the investment of public funds should attend. Representatives of counties, cities, special districts, school and community college districts, redevelopment agencies, and elected officials are especially encouraged to attend.

## THE COMMISSION

CDIAC provides information, education, and technical assistance on public debt and investments to local public agencies and other public finance professionals. To carry out its responsibilities, CDIAC maintains a database of all public debt issued in California, administers a continuing education program, publishes a monthly newsletter with debt issuance data and informative articles, and conducts research to develop reports, guidelines, and briefs on topical issues.

## **GENERAL INFORMATION**

Registration is limited to public agency officials and their staff. No walk-in registrations will be accepted. Full refunds will be made to registered participants if CDIAC cancels or postpones the program. Substitution of officials or staff from the same entity is permitted. No refunds will be honored for cancelled registrations after the seminar registration deadline of October 26, 2006. Late registration will be accepted, if space is available.

# **LODGING**

Hotel reservations should be made directly with the Renaissance Long Beach Hotel located at 111 East Ocean Boulevard, Long Beach. Call early for reservations. A special room rate of \$110 is available to seminar participants. When making reservations, please request the group rate for the **California Debt and Investment Advisory Commission**. Once CDIAC's room block is filled, the hotel will not honor the contracted rate.

CDIAC complies with the Americans with Disabilities Act (ADA).

CDIAC is a Minimum Continuing Legal Education (MCLE) approved provider. CDIAC's educational programs are also accepted by many certification entitites as "certifiable."

# Advanced Concepts and Practices for Investing Public Funds November 16-17, 2006 SEMINAR REGISTRATION FORM

To register, go on-line at **www.treasurer.ca.gov/cdiac** or complete this form and return it to the California Debt and Investment Advisory Commission. One form is required for each participant. **Payment of registration fee must be enclosed.** No refunds will be honored after the seminar registration deadline of **October 26, 2006**. Late registrations will be accepted if space is available. *You will receive a confirmation notice once a registration form and check are received by CDIAC*.

Name				
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Telephone	FAX _			
Email:				
☐ Check here if you	require vegetarian meals.			
My interests are	in: Public Debt Issuance			
(for future use)	Public Investments			
	Debt and Investments			
☐ Registering for just the Advanced Concepts and Practices for Investing Public Funds Seminar \$175.00				
☐ Please also include the updated California Public Fund Investment Primer* for an additional \$25.00				
to register o	Visit our website at www.treasurer.ca.gov/cdia n-line and pay with VISA (			
Enclosed is my check	for a total of \$			
Make check(s) payable California Debt and	e to: Investment Advisory Commis	ssion		
Mail your registration California Debt a 915 Capitol Mall Sacramento, CA	and Investment Advisory Comn I, Room 400	nission		

\* The California Debt Issuance Primer is a comprehensive reference document regarding public debt issuance in California. While not required for the seminar, the Primer provides seminar participants with an extensive overview of the debt financing alternatives available to California public agencies. It is published by the California Debt and Investment Advisory Commission and is sold to the public for \$25 to cover the costs of printing and mailing. Please allow approximately 2 weeks from date of order for delivery.

Phone: (916) 653-3269

# THE CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

Presents

# Advanced Concepts and Practices for Investing Public Funds Renaissance Long Beach Hotel, Long Beach, CA

November 16-17, 2006

	Thursday, November 16, 2006	ı	Friday, November 17, 2006
8:00 AM	Registration and distribution of seminar materials Complimentary rolls and coffee	8:00 AM	Check-In Complimentary rolls and coffee
8:30 AM	Introduction and Welcome  Jane W. Thompson, Executive Director, California Debt and Investment Advisory Commission		Conducting Your Transactions: This session focuses on the investment market and the role of broker/dealers and how they interact with other members of the finance community including: banks, insurance companies, mutual funds, finance companies, and financial and investment advisors. The speaker explains the
8:45 AM	Investment Economics: This session provides an advanced discussion of the yield curve and factors that drive risk and influence interest rates. The yield curve is defined and an explanation of how it works, along with how it can be utilized by the investment decision-maker, is discussed. This session also covers factors that drive risk and influence interest rates, such as timing, market forces, business cycles, and monetony policy. The presenter provides on undetected		difference between primary and secondary dealers and the means by which a government agency can ensure a broker is working in its best interest. The speaker also discusses governments' use of collateralization to protect public deposits and finally how brokers, dealers, banks and finance companies are compensated for their services.  **Bill Blackwill**, Senior Vice President**, Citigroup Global**
and monetary policy. The presenter provides an update o the state of the economy.		10.00 AM	Markets, Inc.
	John Shin, Vice President & Senior Economist, Lehman Brothers	10:00 AM 10:15 AM	Break  Establishing Benchmarks to Improve Investment  Management: This session focuses on benchmarking as an
9:45 AM 10:00 AM	Break  Cash Flow Management and Forecasting: This session focus		restment management and oversight tool. The speaker dresses the purpose and use of benchmarks, the benefits of achmarking, the development of benchmarks, and the aluation of investments against these benchmarks.
flow forecast and how the forec decisions. The presenters discus models for short-term and long-	on advanced practices for preparing and implementing a cash flow forecast and how the forecast is used in making investment decisions. The presenters discuss the development of cash flow models for short-term and long-term investing, as well as the		Deanne Woodring, Managing Director, Davidson Fixed Income Management Inc.
	distinctions between forecasting operating funds and bond proceeds. The presenters also present an actual cash flow analysis.	11:15 AM	<b>Rebalancing Your Portfolio:</b> This session focuses on the concept and process of reassessing a portfolio. As time passes, a review of an agency's portfolio is essential to ensure that it
	Annette Kerber, Assistant Treasurer/Tax Collector, San Bernardino County		still reflects the investment strategy. The presenter explains why portfolio assets change, discusses the concept of portfolio
	Craig Hughes, Cash Manager/Investment Officer San Bernardino County		rebalancing, and discusses rebalancing frequency. The presenter also describes the methodologies for readjusting a portfolio and provides examples of rebalancing.

# 11:15 AM Selecting the Best Products for Your Investment Goals:

This session reviews some commonly used investment products currently available to investment managers. A panel consisting of an investment advisor, an investment banker, a city investment officer and a county treasurer describes these products and provides evaluation tools for assessing their use in relation to government agencies' investment policies. In this session, the panelists discuss the advantages and disadvantages of various products available for fixed income investors. In addition, the panelists incorporate concepts related to investment performance, such as risk, duration, convexity, etc.

Moderator: Kay Chandler, President, Chandler Asset Management

Panel:

Margaret Kerins, Managing Director, RBS Greenwich Capital Hank Stern, Chief Investment Officer,

City of Los Angeles

Ray Johnson, Fixed Income Applications Specialist, Bloomberg LP

# 12:00PM Luncheon for all participants and speakers

# 1:00 PM Selecting the Best Products for Your Investment Goals:

This session continues the discussion of commonly used investment instruments, tools for their evaluation and how to select among them. During this session, the panelists cover structured products such as guaranteed investment contracts and forward purchase agreements. The panelists also discuss how the products work, their pricing, and the advantages and disadvantages of investing in these instruments.

# 2:45 PM Break

# 3:00 PM Investment Objectives for Idle Cash and Bond Proceeds:

This session covers the concepts of managing idle cash and bond proceeds. An investment advisor offers guidance on selecting the appropriate instruments given the characteristics of the issue and arbitrage considerations. The speaker also discusses the role of an agency's overall investment strategy as it relates to its investment policy.

Craig Underwood, President, Bond Logistix, LLC

4:00 PM End of Session - Reception for all Participants and Speakers

Nancy Jones, Managing Director, Public Financial Management PFM, Inc.

12:30 PM Seminar Closing and Evaluation